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AN ACT

RELATING TO COUNTY REVENUE BONDS; AUTHORIZING THE ISSUANCE OF
PAYMENT IN LIEU OF TAXES REVENUE BONDS TO BE ISSUED BY
COUNTIES FOR THE REPAYMENT OF EXISTING LOANS TO COUNTIES FROM
THE NEW MEXICO FINANCE AUTHORITY; PLEDGING PAYMENT IN LIEU OF
TAXES REVENUE TO PAY BONDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 4-62-1 NMSA 1978 (being Laws 1992,
Chapter 95, Section 1, as amended by Laws 2001, Chapter 172,
Section 3 and also by Laws 2001, Chapter 328, Section 2) is
amended to read:

"4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
REVENUES--LIMITATION ON TIME OF ISSUANCE.--

A. In addition to any other law authorizing a
county to issue revenue bonds, a county may issue revenue
bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the
purposes specified in this section. The term "pledged
revenues", as used in Chapter 4, Article 62 NMSA 1978, means
the revenues, net income or net revenues authorized to be
pledged to the payment of particular revenue bonds as
specifically provided in Subsections B through M of this
section.

B. Gross receipts tax revenue bonds may be issued
for one or more of the following purposes:

1 (1) constructing, purchasing, furnishing,
2 equipping, rehabilitating, making additions to or making
3 improvements to one or more public buildings or purchasing or
4 improving ground relating thereto, including but not
5 necessarily limited to acquiring and improving parking lots,
6 or any combination of the foregoing;

7 (2) acquiring or improving county or public
8 parking lots, structures or facilities or any combination of
9 the foregoing;

10 (3) purchasing, acquiring or rehabilitating
11 firefighting equipment or any combination of the foregoing;

12 (4) acquiring, extending, enlarging,
13 bettering, repairing, otherwise improving or maintaining
14 storm sewers and other drainage improvements, sanitary
15 sewers, sewage treatment plants, water utilities or other
16 water, wastewater or related facilities, including but not
17 limited to the acquisition of rights of way and water and
18 water rights, or any combination of the foregoing;

19 (5) reconstructing, resurfacing,
20 maintaining, repairing or otherwise improving existing
21 alleys, streets, roads or bridges or any combination of the
22 foregoing or laying off, opening, constructing or otherwise
23 acquiring new alleys, streets, roads or bridges or any
24 combination of the foregoing; provided that any of the
25 foregoing improvements may include the acquisition of rights

1 of way;

2 (6) purchasing, acquiring, constructing,
3 making additions to, enlarging, bettering, extending or
4 equipping airport facilities or any combination of the
5 foregoing, including without limitation the acquisition of
6 land, easements or rights of way;

7 (7) purchasing or otherwise acquiring or
8 clearing land or purchasing, otherwise acquiring and
9 beautifying land for open space;

10 (8) acquiring, constructing, purchasing,
11 equipping, furnishing, making additions to, renovating,
12 rehabilitating, beautifying or otherwise improving public
13 parks, public recreational buildings or other public
14 recreational facilities or any combination of the foregoing;

15 (9) acquiring, constructing, extending,
16 enlarging, bettering, repairing or otherwise improving or
17 maintaining solid waste disposal equipment, equipment for
18 operation and maintenance of sanitary landfills, sanitary
19 landfills, solid waste facilities or any combination of the
20 foregoing; or

21 (10) acquiring, constructing, extending,
22 bettering, repairing or otherwise improving public transit
23 systems or any regional transit systems or facilities.

24 A county may pledge irrevocably any or all of the
25 revenue from the first one-eighth of one percent increment

1 and the third one-eighth of one percent increment of the
2 county gross receipts tax and any increment of the county
3 infrastructure gross receipts tax and county capital outlay
4 gross receipts tax for payment of principal and interest due
5 in connection with, and other expenses related to, gross
6 receipts tax revenue bonds for any of the purposes authorized
7 in this section or specific purposes or for any area of
8 county government services. If the revenue from the first
9 one-eighth of one percent increment or the third one-eighth
10 of one percent increment of the county gross receipts tax or
11 any increment of the county infrastructure gross receipts tax
12 or county capital outlay gross receipts tax is pledged for
13 payment of principal and interest as authorized by this
14 subsection, the pledge shall require the revenues received
15 from that increment of the county gross receipts tax or any
16 increment of the county infrastructure gross receipts tax or
17 county capital outlay gross receipts tax to be deposited into
18 a special bond fund for payment of the principal, interest
19 and expenses. At the end of each fiscal year, money
20 remaining in the special bond fund after the annual
21 obligations for the bonds are fully met may be transferred to
22 any other fund of the county.

23 Revenues in excess of the annual principal and interest
24 due on gross receipts tax revenue bonds secured by a pledge
25 of gross receipts tax revenue may be accumulated in a debt

1 service reserve account. The governing body of the county
2 may appoint a commercial bank trust department to act as
3 trustee of the proceeds of the tax and to administer the
4 payment of principal of and interest on the bonds.

5 C. Fire protection revenue bonds may be issued
6 for acquiring, extending, enlarging, bettering, repairing,
7 improving, constructing, purchasing, furnishing, equipping or
8 rehabilitating any independent fire district project or
9 facilities, including where applicable purchasing, otherwise
10 acquiring or improving the ground for the project, or any
11 combination of such purposes. A county may pledge
12 irrevocably any or all of the county fire protection excise
13 tax revenue for payment of principal and interest due in
14 connection with, and other expenses related to, fire
15 protection revenue bonds. These bonds may be referred to in
16 Chapter 4, Article 62 NMSA 1978 as "fire protection revenue
17 bonds".

18 D. Environmental revenue bonds may be issued for
19 the acquisition and construction of solid waste facilities,
20 water facilities, wastewater facilities, sewer systems and
21 related facilities. A county may pledge irrevocably any or
22 all of the county environmental services gross receipts tax
23 revenue for payment of principal and interest due in
24 connection with, and other expenses related to, environmental
25 revenue bonds. These bonds may be referred to in Chapter 4,

1 Article 62 NMSA 1978 as "environmental revenue bonds".

2 E. Gasoline tax revenue bonds may be issued for
3 the acquisition of rights of way for and the construction,
4 reconstruction, resurfacing, maintenance, repair or other
5 improvement of county roads and bridges. A county may pledge
6 irrevocably any or all of the county gasoline tax revenue for
7 payment of principal and interest due in connection with, and
8 other expenses related to, county gasoline tax revenue bonds.
9 These bonds may be referred to in Chapter 4, Article 62 NMSA
10 1978 as "gasoline tax revenue bonds".

11 F. Utility revenue bonds or joint utility revenue
12 bonds may be issued for acquiring, extending, enlarging,
13 bettering, repairing or otherwise improving water facilities,
14 sewer facilities, gas facilities or electric facilities or
15 for any combination of the foregoing purposes. A county may
16 pledge irrevocably any or all of the net revenues from the
17 operation of the utility or joint utility for which the
18 particular utility or joint utility bonds are issued to the
19 payment of principal and interest due in connection with, and
20 other expenses related to, utility or joint utility revenue
21 bonds. These bonds may be referred to in Chapter 4, Article
22 62 NMSA 1978 as "utility revenue bonds" or "joint utility
23 revenue bonds".

24 G. Project revenue bonds may be issued for
25 acquiring, extending, enlarging, bettering, repairing,

1 improving, constructing, purchasing, furnishing, equipping or
2 rehabilitating any revenue-producing project, including as
3 applicable purchasing, otherwise acquiring or improving the
4 ground therefor and including but not limited to acquiring
5 and improving parking lots, or may be issued for any
6 combination of the foregoing purposes. The county may pledge
7 irrevocably any or all of the net revenues from the operation
8 of the revenue-producing project for which the particular
9 project revenue bonds are issued to the payment of the
10 interest on and principal of the project revenue bonds. The
11 net revenues of any revenue-producing project shall not be
12 pledged to the project revenue bonds issued for any other
13 revenue-producing project that is clearly unrelated in
14 nature; but nothing in this subsection prevents the pledge to
15 any of the project revenue bonds of the revenues received
16 from existing, future or disconnected facilities and
17 equipment that are related to and that may constitute a part
18 of the particular revenue-producing project. A general
19 determination by the governing body that facilities or
20 equipment is reasonably related to and constitutes a part of
21 a specified revenue-producing project shall be conclusive if
22 set forth in the proceedings authorizing the project revenue
23 bonds. As used in Chapter 4, Article 62 NMSA 1978:

24 (1) "project revenue bonds" means the bonds
25 authorized in this subsection; and

1 (2) "project revenues" means the net
2 revenues of revenue-producing projects that may be pledged to
3 project revenue bonds pursuant to this subsection.

4 H. Fire district revenue bonds may be issued for
5 acquiring, extending, enlarging, bettering, repairing,
6 improving, constructing, purchasing, furnishing, equipping
7 and rehabilitating any fire district project, including where
8 applicable purchasing, otherwise acquiring or improving the
9 ground therefor, or for any combination of the foregoing
10 purposes. The county may pledge irrevocably any or all of
11 the revenues received by the fire district from the fire
12 protection fund as provided in the Fire Protection Fund Law
13 and any or all of the revenues provided for the operation of
14 the fire district project for which the particular bonds are
15 issued to the payment of the interest on and principal of the
16 bonds. The revenues of a fire district project shall not be
17 pledged to the bonds issued for a fire district project that
18 clearly is unrelated in its purpose; but nothing in this
19 section prevents the pledge to such bonds of revenues
20 received from existing, future or disconnected facilities and
21 equipment that are related to and that may constitute a part
22 of the particular fire district project. A general
23 determination by the governing body of the county that
24 facilities or equipment is reasonably related to and
25 constitutes a part of a specified fire district project shall

1 be conclusive if set forth in the proceedings authorizing
2 the fire district revenue bonds.

3 I. Law enforcement protection revenue bonds may be
4 issued for the repair and purchase of law enforcement
5 apparatus and equipment that meet nationally recognized
6 standards. The county may pledge irrevocably any or all of
7 the revenues received by the county from the law enforcement
8 protection fund distributions pursuant to the Law Enforcement
9 Protection Fund Act to the payment of the interest on and
10 principal of the law enforcement protection revenue bonds.

11 J. Hospital emergency gross receipts tax revenue
12 bonds may be issued for acquiring, equipping, remodeling or
13 improving a county hospital or county health facility. A
14 county may pledge irrevocably to the payment of the interest
15 on and principal of the hospital emergency gross receipts tax
16 revenue bonds any or all of the revenues received by the
17 county from a county hospital emergency gross receipts tax
18 imposed pursuant to Section 7-20E-12.1 NMSA 1978 and
19 dedicated to payment of bonds or a loan for acquiring,
20 equipping, remodeling or improving a county hospital or
21 county health facility.

22 K. Economic development gross receipts tax revenue
23 bonds may be issued for the purpose of furthering economic
24 development projects as defined in the Local Economic
25 Development Act. A county may pledge irrevocably any or all

1 of the county infrastructure gross receipts tax to the
2 payment of the interest on and principal of the economic
3 development gross receipts tax revenue bonds for the purpose
4 authorized in this subsection.

5 L. County education gross receipts tax revenue
6 bonds may be issued for public school or off-campus
7 instruction program capital projects as authorized in Section
8 7-20E-20 NMSA 1978. A county may pledge irrevocably any or
9 all of the county education gross receipts tax revenue to the
10 payment of interest on and principal of the county education
11 gross receipts tax revenue bonds for the purpose authorized
12 in this section.

13 M. PILT revenue bonds may be issued by a county to
14 repay all or part of the principal and interest of an
15 outstanding loan owed by the county to the New Mexico finance
16 authority. A county may pledge irrevocably all or part of
17 PILT revenue to the payment of principal of and interest on
18 new loans or preexisting loans provided by the New Mexico
19 finance authority to finance a public project as "public
20 project" is defined in Subsection E of Section 6-21-3 NMSA
21 1978.

22 N. Except for the purpose of refunding previous
23 revenue bond issues, no county may sell revenue bonds payable
24 from pledged revenue after the expiration of two years from
25 the date of the ordinance authorizing the issuance of the
bonds or, for bonds to be issued and sold to the New Mexico

1 finance authority as authorized in Subsection C of Section
2 4-62-4 NMSA 1978, after the expiration of two years from the
3 date of the resolution authorizing the issuance of the bonds.
4 However, any period of time during which a particular revenue
5 bond issue is in litigation shall not be counted in
6 determining the expiration date of that issue.

7 0. No bonds may be issued by a county, other than
8 an H class county, a class B county as defined in Section
9 4-36-8 NMSA 1978 or a class A county as described in Section
10 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge,
11 better, repair or construct a utility unless the utility is
12 regulated by the public regulation commission pursuant to the
13 Public Utility Act and the issuance of the bonds is approved
14 by the commission. For purposes of Chapter 4, Article 62
15 NMSA 1978, a "utility" includes but is not limited to a
16 water, wastewater, sewer, gas or electric utility or joint
17 utility serving the public. H class counties shall obtain
18 public regulation commission approvals required by Section
19 3-23-3 NMSA 1978.

20 P. Any law that imposes or authorizes the
21 imposition of a county gross receipts tax, a county
22 environmental services gross receipts tax, a county fire
23 protection excise tax, a county infrastructure gross receipts
24 tax, the county education gross receipts tax, a county
25 capital outlay gross receipts tax, the gasoline tax or the

1 county hospital emergency gross receipts tax, or that affects
2 any of those taxes, shall not be repealed or amended in such
3 a manner as to impair outstanding revenue bonds that are
4 issued pursuant to Chapter 4, Article 62 NMSA 1978 and that
5 may be secured by a pledge of those taxes unless the
6 outstanding revenue bonds have been discharged in full or
7 provision has been fully made therefor.

8 Q. As used in this section:

9 (1) "county infrastructure gross receipts
10 tax revenue" means the revenue from the county infrastructure
11 gross receipts tax transferred to the county pursuant to
12 Section 7-1-6.13 NMSA 1978;

13 (2) "county capital outlay gross receipts
14 tax revenue" means the revenue from the county capital outlay
15 gross receipts tax transferred to the county pursuant to
16 Section 7-1-6.13 NMSA 1978;

17 (3) "county education gross receipts tax
18 revenue" means the revenue from the county education gross
19 receipts tax transferred to the county pursuant to Section
20 7-1-6.13 NMSA 1978;

21 (4) "county environmental services gross
22 receipts tax revenue" means the revenue from the county
23 environmental services gross receipts tax transferred to the
24 county pursuant to Section 7-1-6.13 NMSA 1978;

25 (5) "county fire protection excise tax

1 revenue" means the revenue from the county fire protection
2 excise tax transferred to the county pursuant to Section
3 7-1-6.13 NMSA 1978;

4 (6) "county gross receipts tax revenue"
5 means the revenue attributable to the first one-eighth of one
6 percent and the third one-eighth of one percent increments of
7 the county gross receipts tax transferred to the county
8 pursuant to Section 7-1-6.13 NMSA 1978 and any distribution
9 related to the first one-eighth of one percent made pursuant
10 to Section 7-1-6.16 NMSA 1978;

11 (7) "gasoline tax revenue" means the revenue
12 from that portion of the gasoline tax distributed to the
13 county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;

14 (8) "PILT revenue" means revenue received by
15 the county from the federal government as payments in lieu of
16 taxes; and

17 (9) "public building" includes but is not
18 limited to fire stations, police buildings, county or
19 regional jails, county or regional juvenile detention
20 facilities, libraries, museums, auditoriums, convention
21 halls, hospitals, buildings for administrative offices,
22 courthouses and garages for housing, repairing and
23 maintaining county vehicles and equipment.

24 R. As used in Chapter 4, Article 62 NMSA 1978,
25 the term "bond" means any obligation of a county issued under

1 Chapter 4, Article 62 NMSA 1978, whether designated as a
2 bond, note, loan, warrant, debenture, lease-purchase
3 agreement or other instrument evidencing an obligation of a
4 county to make payments. "

5 Section 2. EFFECTIVE DATE. --The effective date of
6 the provisions of this act is July 1, 2003. _____